1/11/01

THIS DISPOSITION IS NOT CITABLE AS PRECEDENT OF THE T.T.A.B.

UNITED STATES DEPARTMENT OF COMMERCE
Patent and Trademark Office
Trademark Trial and Appeal Board
2900 Crystal Drive
Arlington, Virginia 22202-3513

JST

Cancellation Nos. 25,165 and 22,227

Sir Terence Orby Conran

v.

The Conran Stores, Inc.[1]

Before Quinn, Hairston and Holtzman,
Administrative Trademark Judges.

By the Board:

The Conran Stores, Inc. owns[2] two registrations for the mark CONRAN'S for "retail department store services"[3] and

---

[1] On February 2, 2000, the Board issued an order granting the petition to cancel U.S. Registration No. 1,681,090 (the subject of Cancellation No. 24,417). Accordingly, Cancellation Proceeding No. 24,417 is no longer a part of these consolidated proceedings.

[2] As indicated in the Board order issued November 29, 1999, it is noted that The Conran Stores, Inc. was discharged in bankruptcy in March 1997, after total liquidation. Likewise, it is noted once again that respondent's interrogatories have been signed on behalf of Lazar Coporate Advisors, Inc., formerly The Conran Stores, Inc., but no assignment of the subject registrations has been recorded.

[3] U.S. Registration No. 1,116,494 (the subject of Cancellation No. 25,165) issued on April 10, 1979. It is noted that on August 9, 2000, this registration expired pursuant to Section 9 of the Trademark Act for respondent's failure to renew. In view of the disposition herein, there is no need to issue a show cause order pursuant to Trademark Rule 2.134(b).

"mail order services in the field of household furnishings and toys."[4]

On June 3, 1996, Sir Terence Conran filed petitions to cancel these registrations on the ground that his application for registration of the mark CONRAN for a large variety of household products has been refused due to the existence of respondent's registrations; and that respondent has abandoned all use of the CONRAN'S mark for the identified services.

Respondent, in its answers, has denied the essential allegations of the petitions to cancel.

This case now comes up for consideration of petitioner's renewed motion (filed January 31, 2000) for summary judgment on the ground that respondent has abandoned all use of the registered CONRAN'S mark with no intent to resume such use.

By way of background, petitioner filed its original motion for summary judgment on the ground of abandonment on November 12, 1997. Petitioner based its motion on the undisputed fact that respondent went into bankruptcy and closed its stores on March 31, 1994, and that there had been no use of the CONRAN'S mark in the United States since then. Respondent objected to the entry of summary judgment, arguing that the period of nonuse of the mark was

[4] U.S. Registration No. 1,182,222 (the subject of Cancellation

insufficient to establish a prima facie case of abandonment. Also, respondent maintained that since 1996, as evidenced by the declaration of Kenneth Lazar, it had plans to resume use of the mark.

In a November 29, 1999 decision, the Board found that for purposes of the motion for summary judgment, the period of nonuse by respondent of the CONRAN'S mark commenced on June 24, 1995.[5] Consequently, the Board denied as premature petitioner's original motion for summary judgment which was based solely on the statutory presumptions of abandonment under 15 U.S.C. § 1127, because it was filed prior to expiration of the three-year period of continuous nonuse which triggers such presumptions. Additionally, the Board indicated in footnote 3 of its decision that, although it was not necessary to reach the issue of intent not to resume use, if it were to evaluate respondent's evidence on this issue, the declaration of its president, Mr. Kenneth Lazar, alone would not be sufficient to shift the presumptive burden back to petitioner.

Turning back to the renewed motion for summary judgment, petitioner again contends that a presumption of abandonment attaches under 15 U.S.C. § 1127 due to

---

25,227) issued on January 12, 1982.

[5] In making this determination, the Board found that the mark was viable and not abandoned until the expiration of a bankruptcy court approved option period, which allowed respondent six months to market a license agreement for the mark.

respondent's more than three consecutive years of nonuse of the mark at issue. More particularly, petitioner contends that the three-year period of nonuse that triggers the presumption of abandonment started on June 24, 1995 (as already held by the Board in its November 29, 1999 decision), and elapsed on June 24, 1998 – well before the filing date of the renewed motion for summary judgment. Thus, petitioner maintains that this period of nonuse of the CONRAN'S mark, coupled with respondent's failure to demonstrate with objective evidence an intent to resume use, constitute abandonment.

As evidentiary support for its motion, petitioner has submitted (1) the declaration of one of its attorneys, Peter G. Mack, attesting that a search of the world wide web for any mail order services rendered under the CONRAN'S mark produced no results; (2) respondent's responses to petitioner's first set of interrogatories; (3) copies of two Dun & Bradstreet reports showing that respondent closed its stores in April 1994; (4) copies of news articles downloaded from the Lexis/Nexis® data base discussing respondent's bankruptcy and liquidation sales; (5) a copy of a letter drafted by one of respondent's attorneys discussing respondent's bankruptcy and the Bankruptcy Court's authorization of "going out of business sales"; and (6) a

copy of respondent's voluntary petition for relief under Chapter 11 of the U.S. Bankruptcy Code.

Respondent, in opposition to the motion, contends that it has not abandoned the CONRAN'S trademark. Respondent also argues that the evidence of record rebuts any presumption of abandonment or intent to abandon and, therefore, this case should move forward on the merits.

As evidentiary support for its position, respondent has submitted the declaration of Lester Gribetz, a consulting and purchasing agent for Zona, a retail store specializing in home furnishings; and the declaration of Barry Grimm, vice-president of marketing for Doran Mills and Marion Mills, both attesting to respondent's current use of the CONRAN'S mark. Respondent has also requested that the declaration of Kenneth S. Lazar, which was submitted by respondent in connection with its brief in opposition to petitioner's original motion for summary judgment, be reviewed.

In reply, petitioner contends that respondent's evidence shows nothing more than an attempt by respondent to readopt the CONRAN'S mark well after the period of nonuse had run and for a field of use (i.e., home products) that is not covered by the two registrations remaining in these proceedings.

The purpose of summary judgment is to avoid an unnecessary trial where additional evidence would not reasonably be expected to change the outcome. See *Pure Gold, Inc. v. Syntex (U.S.A.) Inc.,* 730 F.2d 624, 222 USPQ 741 (Fed. Cir. 1984). See also TBMP section 528.01 and cases cited therein.

Generally, summary judgment is appropriate in cases where the moving party establishes that there are no genuine issues of material fact which require resolution at trial and that it is entitled to judgment as a matter of law. Fed. R. Civ. P. 56(c). An issue is material when its resolution would affect the outcome of the proceeding under governing law. See *Anderson v. Liberty Lobby, Inc.,* 477 U.S. 242, 106 S. Ct. 2505 (1986); and *Octocom Systems Inc. v. Houston Computers Services, Inc.,* 918 F.2d 937, 16 USPQ2d 1783, 1786 (Fed. Cir. 1990). A fact is genuinely in dispute if the evidence of record is such that a reasonable factfinder could return a verdict in favor of the nonmoving party. *Id.*

Based on the record now before us and for the reasons discussed below, we conclude that summary judgment is appropriate in this case because there are no issues of material fact relating to abandonment and that petitioner has shown, as a matter of law, that respondent has abandoned the CONRAN’S mark with no intent to resume use.

Section 45 of the Trademark Act, 15 U.S.C. § 1127, provides that a mark is abandoned when "its use has been discontinued with intent not to resume use. … Nonuse for three consecutive years shall be prima facie evidence of abandonment." In order to prevail on a claim for cancellation on the ground of abandonment, a party must allege and prove, in addition to standing, abandonment of the mark as the result of nonuse or other conduct by the registrant. See Trademark Action Section 45, 15 U.S.C. § 1127; *See Lipton Industries, Inc. v. Ralston Purina Co.*, 670 F.2d 1024, 213 USPQ 185 (CCPA 1982). Introduction of evidence of nonuse of the mark for three consecutive years constitutes a prima facie claim of abandonment and shifts the burden to the party contesting abandonment to show either: (1) evidence to disprove the underlying fact triggering the presumption of nonuse or (2) evidence of an intent to resume use to disprove the presumed fact of no intent to resume use. See Trademark Act 45, 15 U.S.C. § 1127; *Imperial Tobacco Ltd. v. Philip Morris Inc.*, 899 F.2d 1575, 14 USPQ2d 1390 (Fed. Cir. 1990); see generally 2 J. Thomas McCarthy, *McCarthy on Trademarks and Unfair Competition*, 17:18 (4th ed. 1996).

Initially, we note that although, for purposes of petitioner's motion for summary judgment, respondent appears to concede that petitioner has established a prima facie

claim of abandonment (i.e., three consecutive years of nonuse), respondent's opposition to summary judgment is based solely on respondent's contention that it has submitted evidence sufficient to rebut any "intent" to abandon the CONRAN'S mark.

However, and contrary to respondent's assertions, once a prima facie case of abandonment has been made, the burden shifts to the respondent to provide evidence of an intent to resume use – not evidence to rebut an intent to abandon. See *Imperial Tobacco, supra*; and Trademark Act Section 45, 15 U.S.C. § 1127. In order to establish an intent to resume use, respondent must put forth evidence with respect to either specific activities undertaken during the period of nonuse or special circumstances which excuse nonuse. (emphasis added) See *Cerveceria India Inc. v. Cerveceria Centroamerica,S.A.,* 10 USPQ2d 1064 (TTAB 1989), aff'd., *Cerveceria Centroamerica S.A. v. Cerveceria India Inc.,* 892 F.2d 1021, 13 USPQ2d 1307(Fed. Cir. 1989).

In this case, respondent has not put forth evidence sufficient to raise a genuine issue of material fact as to its intent to resume use of the CONRAN'S mark and it did not proffer any evidence of circumstances which would justify nonuse of the mark. Specifically, Mr. Gribetz, in his supporting declaration states, in pertinent part, that:

> (c) that in the fall of 1999, I purchased duvets, shams, pillowcases valued in excess

> of $40,000 at retail, identified and distinguished by the trademark **CONRAN's** from Registrant for sale in Zona. (emphasis supplied)

Mr. Grimm, in his declaration executed April 5, 2000, states, in pertinent part, that:

> (b) my company is in the business of custom designing and manufacturing fabric; and
>
> (c) approximately 18 months ago, Registrant requested that my company develop a line of fabrics to be used in connection with the bed linen line of duvets, shams and pillowcases identified by the trademark **CONRAN'S**; and
>
> (e) since that time, our company and particularly our director of design and product development, Jane Laug, and her staff have been working on the fabric designs for the proposed CONRAN'S products; and
>
> (g) we have been contacting our customers, such as CHF and Waverly, in an attempt to place the line of products identified by the trademark **CONRAN'S** through them with their customers. (emphasis supplied)

It is undisputed that the relevant period of nonuse by respondent of the CONRAN'S mark is from June 24, 1995 until June 24, 1998. These declarations, however, reference respondent's activities with respect to the CONRAN'S mark, on or after approximately October 5, 1998, almost six months after the statutory period of nonuse had ended. There is no evidence in the record to show that respondent took active steps towards resuming use of the mark within the crucial three-year period of nonuse. At best, respondent's current activities represent a new and separate use by respondent of

the CONRAN'S mark and cannot serve to cure respondent's abandonment. Abandonment of a registered mark cannot be reversed by subsequent re-adoption of the mark or subsequent intent to resume use. *See AmBRIT Inc. v. Kraft Inc.*, 812 F.2d 1531, 1 USPQ 2d 1161, 1177-78 (11th Cir. 1986); *Parfums Nautee Ltd. v. American International Industries*, 22 USPQ2d 1310 (TTAB 1992).[6]

Finally, we remain of the view that the Lazar declaration is insufficient to show respondent's intent to resume use of the CONRAN'S mark during the relevant period of non-use.[7] As is explained by our reviewing court in *Imperial Tobacco v. Philip Morris*, 899 F.2d at 1581; 14 USPQ2d at 1394:

> [A]n affirmative desire by the registrant not to relinquish a mark is not determinative of the intent element of abandonment under the Lanham Act. Nothing in the statute entitles registrant who has formerly used a mark to overcome a presumption of abandonment arising from subsequent nonuse by simply averring a subjective affirmative 'intent not to abandon.'

In all contested abandonment cases, the respondent denies an intention to abandon its mark. Under Fed. R. Civ. P. 56, however, one must proffer more than conclusory testimony or

[6] Moreover, we note that respondent's current use of the CONRAN'S mark is on bed linens, and not in connection with the services recited in the involved registrations.

[7] It is noted that Mr. Lazar did not file a supplemental declaration in support of respondent's intent to resume use in connection with petitioner's renewed motion for summary judgment.

affidavits. Moreover, and as has been said in connection with a motion for summary judgment, a conclusory statement on the ultimate issue does not create a genuine issue of material fact. *Sweats Fashions, Inc. v. Pannill Knitting Co.*, 833 F.2d 1560, 1564, 4 USPQ2d 1793, 1797 (Fed. Cir. 1987); and *Johnston v. Ivac Corp.*, 885 F.2d 1574, 1578, 12 USPQ2d 1382,1385 (Fed. Cir. 1989). In this case, Mr. Lazar's statements that respondent has not abandoned the CONRAN'S mark and that plans have been underway to resume active use and promotion of the mark, which are unsupported by the evidentiary record, are clearly insufficient to preclude summary judgment on the issue of abandonment.

In view of the foregoing, petitioner's motion for summary judgment is granted. Judgment is hereby entered against respondent in Cancellation No. 25,165 as to Registration No. 1,116,494 (which registration has already expired), and Cancellation No. 25,227 as to Registration No. 1,182,222, which will be cancelled in due course.